

Message Text

LIMITED OFFICIAL USE

PAGE 01 CONAKR 01206 090733Z

12

ACTION EB-11

INFO OCT-01 AF-10 EUR-25 ISO-00 AID-20 CIAE-00 COME-00

FRB-03 INR-11 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

SP-03 CIEP-03 OMB-01 DRC-01 /109 W

----- 016040

R 081530Z AUG 74

FM AMEMBASSY CONAKRY

TO SECSTATE WASHDC 0020

INFO AMEMBASSY LONDON

AMEMBASSY ROME

AMEMBASSY PARIS

LIMITED OFFICIAL USE CONAKRY 1206

ROME FOR AMBASSADOR TODMAN

E.O. 11652: N/A

TAGS : EFIN US GV

SUBJECT : BANK OF AMERICA LOAN TO GUINEA

REF: A. LONDON 09809; B. CONAKRY 0754

1. PARIS BASED BANK OF AMERICA REPRESENTATIVE JOHN SILVIN VISITED CONAKRY AUGUST 1-6 TO NEGOTIATE TERMS OF A COMMERCIAL LOAN TO GUINEAN GOVERNMENT. DURING SEPARATE CONVERSATIONS WITH SILVIN AND PETER WRAGG, A CBG LAWYER WHO REPRESENTED THE GUINEANS DURING THE NEGOTIATIONS, EMBOFFS RECEIVED FOLLOWING INFORMATION ON TERMS AND BACKGROUND TO LOAN:

A. SILVIN AND GUINEANS AGREED THAT GUINEANS WOULD FORMALLY REQUEST LOAN FOR \$25 MILLION (EURODOLLARS) OVER 7 YEARS (2 YEAR GRACE PERIOD) AT A COMMERCIAL INTEREST RATE (2 PER CENT ABOVE LONDON EURODOLLAR MARKET);

B. DISBURSEMENT AND REPAYMENT OF LOAN WILL NOT BE TIED TO ANY PARTICULAR PROJECTS ALTHOUGH BANK OF AMERICA EXPECTS GUINEAN GOVERNMENT TO INDICATE SEVERAL PROJECTS ON WHICH MOST FUNDS WILL PROBABLY BE SPENT;

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 CONAKR 01206 090733Z

C. BANK OF AMERICA WILL ATTEMPT TO SYNDICATE LOAN AMONG

FINANCIAL INSTITUTIONS IN US AND EUROPEAN MONEY MARKETS;

D. SILVIN HOPES ENTIRE LOAN PROCESS WILL BE COMPLETED BY OCTOBER 31, 1974;

E. CBG ARRANGED INITIAL CONTACTS BETWEEN GUINEAN GOVERNMENT AND BANK OF AMERICA;

F. GUINEAN DELEGATION LED BY N'FALY SANGARE, GOVERNOR OF CENTRAL BANK, AND ACCOMPANIED BY HALCO OFFICIALS, BEGAN NEGOTIATIONS AT BANK OF AMERICA HEADQUARTERS IN SAN FRANCISCO IN JUNE 1974;

G. NEGOTIATIONS ALMOST ABORTED EVEN BEFORE TRIP TO SAN FRANCISCO, WHEN PRESIDENT TOURE ANNOUNCED ON MAY 20 THAT BANK OF AMERICA HAD ALREADY AGREED TO LEND GUINEA \$20 MILLION (REFTEL B).

2. WRAGG SAID THAT, ALTHOUGH NO PAPERS WERE SIGNED DEFINITELY COMMITTING BANK OF AMERICA TO THE LOAN, GUINEANS FEEL THAT NEGOTIATIONS HAVE ADVANCED TO A POINT WHERE THEY HAVE A PERSONAL COMMITMENT FROM BANK OF AMERICA. SELVIN MET TWICE WITH STATE COMMITTEE FOR COOPERATION WITH AMERICAS; WAS RECEIVED ON HIS LAST EVENING IN CONAKRY BY SEKOU TOURE; AND WAS PROMISED STATISTICAL INFO ON GUINEAN ECONOMY, WHICH WRAGG WILL DELIVER TO HIM IN PARIS.

3. WRAGG RELATED THAT GUINEAN-BANK OF AMERICA RELATIONS BEGAN IN 1960 WHEN GUINEANS ABANDONED FRANC ZONE. AT THAT TIME, GUINEANS BEGAN USING BANK OF AMERICA, AND PRESIDENT TOURE BECAME PERSONALLY ACQUAINTED WITH THEIR PARIS REPRESENTATIVE, WHO IS NOW INTERNATIONAL VP AND IS INVOLVED IN LOAN TO GUINEA.

4. VISIT OF SILVIN CONTINUES GUINEAN EDUCATION IN FACTS OF LIFE OF PRIVATE INTERNATIONAL MONEY MARKETS. SILVIN STATED THAT DURING HIS MEETING WITH STATE COMMITTEE, GUINEANS WERE SOMEWHAT TAKEN ABACK BY STIFF TERMS (GUINEANS ASKED FOR \$30 MILLION OVER 10 YEARS AT A LOWER INTEREST RATE) BUT THAT AFTER INITIAL SURPRISE, THEY RECONCILED THEMSELVES TO THE INEVITABLE. AT ANY RATE, GUINEANS NOW APPEAR DETERMINED TO PROCEED.

5. SILVIN ASKED THAT CONFIDENTIALITY OF THIS INFORMATION BE RESPECTED, PARTICULARLY IN DISCUSSIONS OTHER BANKING CIRCLES. HE ALSO SAID HE WOULD KEEP IN TOUCH WITH AMEMBASSY PARIS ON FURTHER DEVELOPMENTS.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 CONAKR 01206 090733Z

MACDONALD

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NEGOTIATIONS, LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 08 AUG 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: cunninfx
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974CONAKR01206
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740218-0216
From: CONAKRY
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740865/aaaacdvl.tel
Line Count: 108
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: A. LONDON 09809; B. CONAKRY 0754
Review Action: RELEASED, APPROVED
Review Authority: cunninfx
Review Comment: n/a
Review Content Flags:
Review Date: 24 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <24 APR 2002 by martinml>; APPROVED <27 FEB 2003 by cunninfx>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: : BANK OF AMERICA LOAN TO GUINEA
TAGS: EFIN, US, GV, BANK OF AMERICA
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005